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The Manufacturers Hanover Financial Digest

Weekly Commentary, Selected Financial Data, and Business Indicators

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Manufacturers Hanover Trust Company
350 Park Avenue, New York, NY 10022

Selected Federal Reserve Data

(Averages of Daily Figures—Billions of Dollars)

	Week Ending 12/10/80	$ Change Since Week Ago	$ Change Since Year Ago
Reserve Bank Credit			
U.S. Gov'ts and Agencies Owned Outright & RPs	127.790	– .313	+ 2.595
Loans to Depository Inst.	1.786	– .356	+ .497
Float	4.530	– 1.031	– 1.906
Total Reserve Bank Credit	141.303	– 1.254	+ 2.975
Treasury Deposits with Federal Reserve Banks	2.228	– .617	– .865
Currency Outside Banks	121.660	+ .747	+11.135
Member Bank Reserves:			
Required	39.193	– .717	– 3.947
Excess (Deficiency)	.310	– .571	– .056
Total Reserves Held	39.503	– 1.288	– 4.003
Net Borrowed Reserves	1.365	+ .214	+ .525
Gov'ts held for Foreign Acct. by F.R. Banks (End-of-Week)	90.891	+ .329	+13.243

Monetary Aggregates †		% Change Since Three Months Ago*	% Change Since Year Ago
M-1A	386.6	+ 7.5‡	+ 5.6‡
M-1B	412.4	+ 9.8‡	+ 7.7‡
M-2 (November '80)	1,668.8	+ 10.1	+ 10.1
L (September '80)	2,295.1	+ 12.4	+ 8.8

†Seasonally adjusted. *Seasonally adjusted annual rate. ‡Four-week moving average.

New York Money Market

Offering Rates 12/19/80	3 Months	6 Months	1 Year
‡U.S. Treasury Bills	16.77%	16.49%	15.30%
* Federal Agencies	18.50	17.00	15.00
* Project Notes–Taxfree (46% Taxable Equivalent)	14.81	15.56	15.28
Negotiable Time CDs Manufacturers Hanover	Rates By Arrangement		
*Secondary Market–Prime	18.00	16.50	

‡Finance Company Paper–Prime

5- 14 days	19.38%
15- 29 days	20.00
30- 59 days	19.75
60-179 days	17.50
180-270 days	15.00

‡* Bankers' Acceptances

Jan.	19.80%
Feb.	19.45
Mar.	18.40
Apr.	17.60
May	16.25
Jun.	15.45

‡Industrial Paper–Prime

30- 89 days	19.88%
90-120 days	19.00

†Federal Funds Effective Rate 20.13%

‡Discount basis. *Subject to availability. †Estimated.

Selected Business Indicators

(All Dollar Figures in Billions)

	Latest Period or End of Period		Previous Period	Year Ago Period
Gross National Product (Current Dollars)*	3rd Q'80	$ 2,587	$ 2,521	$ 2,397
Gross National Product (1972 Dollars)*	3rd Q'80	$ 1,412	$ 1,409	$ 1,433
Percent Change, Annual Rate	3rd Q'80	0.9%	– 9.6%	3.1%
Change in Consumer Prices (all urban consumers)*	Oct '80	12.0%	12.0%	12.0%
Change in Producer Prices*	Nov '80	7.2%	9.6%	14.4%
Civilian Employment (Thousands of Persons)†	Nov '80	97,396	97,176	97,608
Unemployment as % of Civilian Labor Force†	Nov '80	7.5%	7.6%	5.8%
Personal Income*	Oct '80	$ 2,190	$ 2,167	$ 1,981
Leading Indicators Composite Index (1967=100)†	Oct '80	136.3	135.1	137.8
Industrial Production Index (1967=100)†	Nov '80n	148.5	146.5	152.3
Net Change in Consumer Installment Credit†	Oct '80	$ 1.46	$ 1.45	$ 2.19
U.S. Merchandise Trade Balance†	Oct '80	–$ 0.97	–$ 0.76	–$ 2.36
Plant and Equipment Expenditures*	1st Q'81	$310.59(a)	$297.30(a)	$291.89
Private Housing Starts (Thousands of Units)*	Nov '80n	1,555	1,561	1,522
New Construction Expenditures*	Oct '80	$ 225.0	$ 224.1	$ 239.9
Total Business Inventories†	Oct '80n	$ 457.3	$ 454.6	$ 422.7
Total Business Sales†	Oct '80n	$ 325.5	$ 318.3	$ 298.5

*Seasonally adjusted annual rate. †Seasonally adjusted. n-Newly reported figure. a-Anticipated.

Short Term Paper Outstanding
(Millions of Dollars)

	Latest Week	Change Since Week Ago	Change Since Year Ago
Negotiable Time CD's Weekly Reporting Banks			
Nationwide (12/3/80)	107,400	– 50	+13,372
New York City (12/3/80)	26,655	– 182	+ 6,463
Commercial Paper (12/3/80)	127,233	+ 1,597	+17,128

Bank Loans
(Millions of Dollars)

Commercial and Industrial Loans

Weekly Reporting Large Commercial Banks	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (12/3/80)	172,266	+ 865	+17,716
New York City (12/3/80)	51,105	+ 687	+ 5,507

Total Loans Gross Adjusted

	Latest Week	Change Since Week Ago	Change Since Year Ago
Nationwide (12/3/80)	424,173	+ 4,063	+29,817
New York City (12/3/80)	99,756	+ 1,692	+11,174

Financial Markets

	Friday 12/19/80	Change Since Week Ago	Change Since Year Ago
U.S. Governments, Closing Yields:			
90-Day Bills†	15.62%	– 1.83	+ 3.21
180-Day Bills†	15.48	– 1.26	+ 2.91
Longest Bills†	14.43	– .87	+ 2.57
Recent Issues:			
15⅛s 12/31/82 (When Issued)	13.95	NA	
14s 12/31/84 (When Issued)	13.34	NA	
13s 11/15/90	12.64	– .56	
12¾s 11/15/10	12.22	– .48	
Municipals:			
Bond Buyer–20 Bond Index* (12/18/80)	10.56%	+ .14	+ 3.95
Blue List Total ($ Million)	$ 754	–$ 134	+ $ 68
30-Day Visible Supply ($ Million)	$1,062	–$1,859	– $ 31
Total	$1,816	–$1,993	+ $ 37
Corporates:			
Moody's Aa Composite (12/18/80)	14.00%	– .25	+ 4.51
Money Mgr.–30-Day Supply ($ Million)	$3,363	–$ 100	+ $2,372
Stocks:			
Dow-Jones Averages:			
Industrials	937.20	+ 20.05	+ 132.19
Transportation	392.03	+ 10.79	+ 185.47
Utilities	115.70	+ 4.23	+ 17.46
65 Stocks	366.70	+ 9.41	+ 94.50
Standard and Poor's 500 Stocks	133.70	+ 4.47	+ 37.26
N.Y.S.E. Composite Index	76.86	+ 2.70	+ 23.24
N.Y.S.E. Avg. Daily Vol. for Week (000's)	50,548	– 4,953	+ 25,385

* 46% Taxable equivalent 19.56%.

† Bond equivalent.

International Rates

EURODOLLAR DEPOSIT RATES (bid)	Friday 12/19/80	Week Ago
Overnight	20.00%	20.87%
1 month	21.63	22.75
3 month	20.06	21.75
6 month	17.88	19.62
1 year	15.88	17.12
EURODOLLAR BONDS Average Yield		
Medium Term (5 to 7 yrs.)	13.30%	13.70%
Long Term (7 to 15 yrs.)	13.15	13.30

FOREIGN EXCHANGE SPOT RATES

New York Opening (12/19/80)	U.S. $ Equivalent	Currency Per U.S. $
Belgium	.03125	31.995
Canada	.8345	1.1983
Denmark	.1641	6.0950
France	.2172	4.6040
Germany	.5025	1.9900
Italy	.001058	944.75
Japan	.004789	208.80
Mexico	.04306	23.22
Netherlands	.4623	2.1630
Switzerland	.5510	1.8150
U.K.	2.3250	.4301